



CALPEEK

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CAMPAIGN 1990: IMPACT OF IRAQI INVASION.

Editor's note: The political and economic impact of Iraq's Aug. 2nd sneak attack on Kuwait is NOT yet fully known, but early guestimates are NOT optimistic. Here is a brief CALPEEK report & analysis...

...Politically, CALPEEK sources believe President George Bush is in good shape, at least for the short term. This is not to say that Pres. Bush's strategy is not without risks. It is, especially if the Iraqis DON'T pull back to their own borders...

...Economically, there is little doubt that the Iraqi invasion will have a long term and NEGATIVE impact on the U.S. and Calif. economies. The invasion has caused world oil prices to rise, thus hiking the prospects for INFLATION, which many think will lead to a RECESSION. This is certainly NOT goods news for Pres. Bush or the GOP...

...The Iraqi invasion of Kuwait also will impact in other ways. For example, those in congress who wanted to drastically cut DEFENSE SPENDING are now retreating from this position. This spells some relief for Calif.'s large aerospace/defense industry, if it's not too late. And those in congress and liberals here in Calif. who have been giving Israel a hard time because of the Palestinian intifada have been silenced for the time being. Overall, Israel is a BIG winner in this whole mess...

...As for the energy industry, some politicians are already bashing away at BIG OIL, charging that the higher prices are completely unjustified. U.S. Rep. Mel Levine (D-L.A.) and S.F. DA Arlo Smith, who is running for Calif. AG, were quick to hop on this bandwagon. In terms of PR/image, BIG OIL is taking a beating. Calif. consumers think the oil industry is gouging and thus now wear the "black hat" that was previous-

ly atop the INSURANCE industry....

...As for a possible federal increase in the GAS TAX to help reduce the large budget deficit, that idea is DEAD. And it is a good thing that Iraq didn't invade Kuwait before Calif.'s June 5 primary, otherwise Prop. 111's State gas tax hike would have been killed too...

...As for the fall, the Iraqi invasion is LIKELY to impact negatively on several ballot measures which will face Californians Nov. 6. Props. 133 (Safe Streets) & 134 (Alcohol Surtax) call for major increases in sales and excise taxes. Given the current economic conditions, CALPEEK sources think it is unlikely that voters will okay such initiatives. Even Prop. 126, a smaller tax on alcoholic beverages supported by the liquor industry, is likely to lose...

...Next consider the fate of Prop. 128, BIG GREEN. Part of this environmental measure calls for a complete ban on offshore drilling in the 3-mile area controlled by the State. Even though most of the promising energy fields in the Pacific are beyond the 3-mile limit, this new situation in the Mideast may present 128 foes with a good shot to exploit the public's fears and uncertainties. TV footage of gas lines from the late 1970s and \$1.50 per gallon prices might sell well in NO on 128 TV spots...

...BOTTOMLINE: The economy of Calif. may turn out to be a key factor in the upcoming campaign. If we enter a recession, and some believe we're already there, then the Nov. 6th election will be a real test of that old political proverb, "People vote their pocketbooks." Stay tuned...

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SAN DIEGO CITY IN MIDST OF REMAPPING WAR.

Editor's note: CALPEEK readers in L.A. are sometimes shocked to find out what's going on in other parts of Calif. Case in point: while most are aware of the redistricting lawsuit involving L.A. County, very few CALPEEK readers had any idea that a similar lawsuit and political drama was going on in the City of San Diego. Here's a brief CALPEEK update...

...A few years ago a group called the Chicano Federation settled a lawsuit out of court with the city over charges that district boundaries drawn up in the early 1980s discriminated against Hispanics. If this sounds like the basis of the L.A. Co. lawsuit, you're right. On Aug. 13 the San Diego City Council will select a new remapping plan that will supposedly eliminate the problem. Needless to say, the selection of a new plan is wrapped in miles of political controversy...

...Basically there are two plans: one that was designed by a council-appointed Redistricting Advisory Board and one that was drawn by Councilman John Hartley. The Hartley plan is supported by the councilman and 4 others (who are now called "The Gang of 5"). "The Gang" is considered to be the pro-environment majority on the council. Three councilmembers and Mayor Maureen O'Connor support the RAB plan. On July 9, by a 5-4 vote, the council tentatively okayed the Hartley plan...

...Which is better? Since redistricting is THE MOST POLITICAL process that any legislative body can undertake, it just depends on who benefits and who loses. In the case of the Hartley plan, Councilwoman Linda Bernhardt gains the most, because she gets rid of her major headache, the Scripps Ranch area. Who gets screwed in this plan? Councilman Bruce Henderson, who loses about 70% of his district and inherits many of Bernhardt's problems. He can probably win reelection in 1991, but it won't be a slam dunk. How do the Hispanics do? They don't like the Hartley plan, but it gives them a 51% Hispanic district. The RAB plan gives them slightly more at 52%. Which plan will win? The edge goes to the Hartley plan, but you can never tell. There could be a compromised which will satisfy all parties. Stay tuned...

WHAT NEXT IN L.A. COUNTY'S REMAP BATTLES??
Will L.A. Sup. Court Judge Gregory O'Brien face Sarah Flores, a former county supervisor's deputy, on Nov. 6th in the election to replace L.A. Co. Sup. Pete Schabarum? Or will the U.S. 9th Circuit Court of Appeals uphold Federal Judge David Kenyon's ruling, calling for a new election? No one seems to have the slightest clue and the whole REDISTRICTING mess was complicated further this past week when Schabarum hinted he MAY jump back in the race, especially if Judge Kenyon's decision is upheld...

...What to look for. There are two different scenarios: 1) the appeal is accepted, thereby allowing O'Brien and Flores to run off on Nov. 6; and 2) the appeal is rejected, which opens the door for a slew of new candidates to jump in, including Schabarum. Flores stays in, but O'Brien probably drops out under #2...

...New faces which probably will appear if #2 happens include L.A. Councilmembers Richard Alatorre and Gloria Molina; and U.S. Reps. Edward Roybal and Esteban Torres, both Demos from East L.A. County. If Roybal enters, Molina would probably drop out. According to CALPEEK sources, Judge Kenyon's ruling has the effect of calling a special election. And according to the Secretary of State's office, anyone can run in a special, even if they are already on the ballot for another office...

...If a new election is the ruling from the Appeals Court, filing would run from Aug. 10-24, with a ballot statement due by Aug. 28, according to CALPEEK sources. The election would be held Nov. 6, with a Dec. 4 runoff. If this happens, and let's say Schabarum files, are any of these Demo Hispanics capable of raising a warchest to compete with Schabarum? Stay tuned...

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CAMPAIGN 1990: FALL MUNICIPAL ELECTIONS.

Editor's note: Here is a CALPEEK update on some local ballot measures facing voters Nov. 6th...

- **THE BIG GAMBLE** - Voters in the upscale City of West Hollywood will after all get to vote yes or no on the question of allowing a poker club in this city located between Beverly Hills and Hollywood. The city council, on a 3-1 vote, decided to put the measure on the Nov. 6 ballot. Supporters of the proposed club collected 2,600 signatures back in June - not enough to force a November showdown, but enough for an election in April of 1992. HOWEVER, card club backers threatened to circulate new petitions, which might force the city to hold a special election in April of 1991, when the turnout might be very small. Faced with a larger city vote this November or a small turnout next April, councilmembers opted for November. Not only will there be a big warchest spent on voters, but lawyers could get rich too. According to the West Hollywood city attorney, because the tax dollars generated by this card club initiative are EARMARKED for very specific purposes, under Prop. 62, backers of this card club MUST get a 2/3rds vote to win approval. Card club backers say they'll fight this ruling in court...

- **CRIME & PUNISHMENT** - San Diego County voters will face 2 measures dealing with law enforcement. One measure calls for the creation of a citizens review board to deal with allegations against the Sheriff's Dept., while the other measure would create a separate Dept. of Corrections to operate the county jail system, which is now under the supervision of the Sheriff. No ballot numbers/letters as yet...

- **TAKE ROUTE 56** - Slow growth advocates in the City of San Diego have rounded up 45,000 signatures for an initiative that would reverse a council decision to allow Freeway 56 to be constructed...

- **HOTEL HAYWIRE** - That was the name of a 1937 movie farce by Paramount, which starred Spring Byington & Leo Carrillo. The farce which will appear on fall ballot in the city of Santa Monica reads far better. Voters will get a chance to approve or reject a plan by restaurateur Michael McCarty to build a 160-room hotel and community

center on 5 acres of land on Pacific Coast Hwy, where a private beach club now sits. Few issues have divided Santa Monica as much as this proposal. McCarty has hired L.A. based Siegel & Nicholl to run his NO campaign. Yes, McCarty's forces got the city council to write a Yes means NO, NO means Yes ballot measure for November. Adding to the fun & games are allegations that Demo Assemblyman Tom Hayden of Santa Monica showed up at the public hearing a little bit tipsy. Santa Monica Councilwoman Chris Reed wasn't so kind. She said, "He was drunk as a skunk." Hayden says he had a drink or two with dinner before going to the hearing, but insisted he was NOT drunk. Hayden is opposed to the McCarty project, which means he will vote YES. But it does not end there. Hayden claims that his ex friend McCarty offered to give the Big Green ballot measure \$50,000 if Hayden dropped his opposition to the hotel. McCarty denies this allegation...

- **ON THE WATERFRONT** - S.F. City voters will face a ballot measure which prohibits HOTEL CONSTRUCTION on the S.F. waterfront until an impact study has been completed by a prospective developer. Backers of this measure include S.F. Tomorrow and the Residential Builders Assn. S.F. political consultant Jack Davis is on the YES side, while Mayor Art Agnos' consultant, Sacto-based Richard Ross, is said to be on the NO side. Alliances are scattered all over the place and this campaign might become one of the most costly in S.F. Just consider all the developer and hotel money which could be spent. Stay tuned...

PALM SPRINGS MAYOR BONO ON RLEOC "E" BOARD.

Palm Springs Mayor Sunny Bono is the newest member of the executive board of RLEOC, Republican Local Elected Officials Committee. The group was founded in 1988 to draw more non-partisan office holders into GOP activities. RLEOC is chaired by San Diego Co. Sup. Susan Golding...

L.A. CURRENT AFFAIRS HOSTS CHRISTINE REED.

Santa Monica Councilwoman Christine Reed, immediate past chair of the L.A. County Transportation Comm., will be the guest speaker at the L.A. Current Affairs Forum, Aug. 29 at Pacific Bell's L.A. HQ at 1010 Wilshire Blvd. This special lunch is set for 12 noon. For info/RSVPs, contact Emma Schafer at (213)445-8862...

SPECIAL CRP COMMISSION TO PROBE REMAP LOSS.

The CA Republican Party(CRP) has named former CRP Chair Bob Naylor and San Mateo Co. Sup. Tom Huening to lead an investigation into why two GOP-backed REAPPORTIONMENT REFORM initiatives were rejected by voters last June. As CALPEEK readers will recall, Props. 118 and 119 did NOT carry a single county in the primary, despite the fact that millions of dollars were raised on behalf of the two remap reform measures...

...At the July 20-22 State GOP Convention in San Diego, Assemblyman Gil Ferguson(R-Newport Beach) introduced Resolution #25, which calls for this special probe...

...Ferguson's resolution brings up 3 KEY points: 1) was all the money that was supposedly raised on 118/119 spent on the two measures?; 2) why did the Republican Nat'l Committee(RNC) come in and take over the two campaigns 2 months prior to the election?; and 3) were there some GOP big shots who wanted both 118/119 to lose so that Republicans would double there efforts for Pete Wilson in November??? Remember, if Wilson wins the governorship, he can veto the Demo reapportionment plan...

...Some CALPEEK sources think Ferguson's charges/allegations in this resolution may be UNDERSTATED. For example, let's talk about the money. Toward the end of the campaign, Pres. George Bush came to L.A and did a big lunch, which supposedly raised \$1.3 million. And then there was Team 100, which may have contributed between \$200,000 and \$500,000. The rumor is that the media buy (TV ads featuring actor Charlton Heston) may have come to \$700,000. So where did the rest of the money go? CALPEEK has heard rumors, but perhaps the CRP special commission will shed some light. With both Naylor and Huening as co-chairs, there is little chance of a political WHITEWASH...

CALPEEK's CONSULTANTS DIRECTORY SOLD OUT.

FYI: CALPEEK sold its last issue of the 1989-90 Directory of Campaign Consultants this past January. It is our intent to produce a 3rd edition sometime next year. We'll probably begin collecting information a year from now...

NEW JOBS, ACCOUNTS AND PERSONNEL NOTES.

Editor's note: Here's a brief update on some new personnel developments:

- The Arlo Smith campaign has added some new staffers: press secretary Betsy Hely from S.F. City Hall; political director John Wainio from San Diego Councilman John Hartley's staff; and finance director Lucy McCoy from Alan Cranston's staff...

- VdK's former press secretary, Duane Peterson, is the media spokesperson for Prop. #128 - Big Green. Those 30-minute political spots FOR 128 now showing on a number of cable TV stations were produced by Beth Broday and Craig Golin...

- S.F./Berkeley based Dick Pabich is back in the campaign business. He'll run the effort to get Santa Fe/Pacific's Mission Bay development project approved by voters this November...

- Ellis/Hart Associates, Inc. of Corona del Mar signs GOP 68th A.D. candidate Clay Hage...

- Lisa Lawson named finance director for Demo State Controller Gray Davis' reelection campaign. Lawson worked for Demo AG candidate Ira Reiner prior to this job...

- GOP consultant Ray McNally hired to do direct mail for Texas GOP gubernatorial candidate Clayton Williams...

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